

# EXECUTIVE DIRECTOR'S MONTHLY REPORT

## SEPTEMBER 2006

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Each month I establish, with input from the Directors, the priority issues on which management and the staff focus. This report summarizes the work that was accomplished during the month as well as other items I feel will give the Council a better understanding of what the staff and I are doing to accomplish our performance objectives.

### **I. Improve the efficiency and accountability of management within the organization**

- Continuing Cooperative Agreements (CCA's). As of August 10, 2006, nine (9) CCA's have completed internal review and have been forwarded to Sub-regions for review and approval. Two of the nine have been returned and fully executed. Of the remaining three CCA's that have not completed internal review, one is scheduled to be completed by August, 21, 2006 while the other two are still pending scope definition. The Sub-regions have raised questions primarily about the interpretation of a few sections in the CCA that have existed for a number of years, and about changes recently made to the CCA per the direction of SCAG's Audit Committee. SCAG staff has prepared responses to these inquiries for presentation at the August 24, 2006 Sub-regional Coordinators meeting. The Audit Committee met on August 24, 2006 and approved a new "Assurance of Sub-Region" form to be executed annually by the Executive Directors of the subregions when they execute their Continuing Cooperative Agreements (CCA's). The form assures that the executive director of his/her designee will insure that the subregion is in compliance with all regulatory and legal requirements from Federal, State and SCAG rules, procedures, and guidelines as cited in the CCA's. This issue will be brought to September's Administration and Regional Council meetings.
- Pre-award Audits. SCAG, Caltrans, and FHWA staff recently met in Sacramento to discuss a strategy for resolving outstanding audit issues with the Orange County COG and to insure that any financial impact to SCAG could be mitigated. Caltrans requested copies of all SCAG completed pre-award audit reports on Sub-regions. We completed transmitting them on August 24, 2006. Nine pre-award audits have been completed and two are in progress.

The final two final Pre-Award Audits has been initiated. Imperial Valley COG submitted all required documentation and as of August 30th, it appears to be satisfactory. The final report is being prepared and will be issued by September 8, 2006. North County COG has submitted all documentation except payroll which is due by September 6, 2006.

The post awards audit scheduling has been initiated with SANBAG, WRCOG, and CVAG. CVAG has been scheduled for December 4, 2006. We are awaiting schedule dates for the other two.

- Travel Policy. Caltrans has revised the mileage reimbursement rate from \$0.34 to \$0.445 effective July 1, 2006. SCAG's travel policy will be revised to incorporate this change.

### **II. Provide support to the Regional Council in providing direction and leadership to SCAG**

- On July 21st I attended the RTAC, Regional Transportation CEO Committee Meeting where John Barna, Executive Director of California Transportation, discuss the Governor's Bond Package.
- SCAG is participating in all of the statewide working groups on implementation if the Bond Measure passes.
- On July 31st I met with David Freeman, Geraldine Knatz, Executive Director, Port of LA, Mike Keston, and Rich Little to discuss alternative technology opportunities and innovative financing in the Ports Clean Air Plan. Also, on July 31st I

met with Pat Mason of CFEE (California Foundation on the Environment and Economy) and other parties on the Public Private Participation legislation.

- On August 30, 2006, SCAG coordinated a very successful visit to Southern California by Representative Joseph Knollenberg, chair of the Transportation, Treasury, Housing and Urban Development, Judiciary, and District of Columbia subcommittee of the Appropriations Committee of the United States House of Representatives.

During his visit Representative Knollenberg was updated on SCAG's goods movement priorities. Los Angeles Mayor Antonio Villaraigosa, SCAG President Yvonne Burke and Regional Council Member Pam O'Connor briefed him on specific projects. MTA CEO Roger Snoble conducted a visit for Representative Knollenberg to a Gold Line construction site and gave him an overview of MTA activities and projects. Representative Knollenberg also toured the Port of Long Beach and was briefed on the key environmental, operational and security issues facing Port of Long Beach and the Port of Los Angeles.

Representative Knollenberg expressed interest in SCAG's proposed innovative financing proposals for goods movement and transportation projects. The visit by Representative Knollenberg follows a visit to his office by SCAG leadership during the SCAG Consensus Program trip to Washington, D.C. last spring. Accompanying Representative Knollenberg in Southern California was his wife, Sandie, Paul Weday of Renaissance Strategies, and John Cline of C2, the advocacy firm that represents SCAG in Washington.

### **III. SCAG Operations**

- Recruitments

Two manager positions in the Finance Department have been advertised. These are restructured positions based on the CFO's review of his staffing needs. The first review of applications is in September with interviews expected by the end of the month. The IT Manager position should be filled by month's end. Several other staff recruitments are underway.

- Training and Development/Professional Pathways

The August Wellness theme was Mind Matters. September brings Hearing Health. Open enrollment for the employee benefit plans is the month of September and SCAG is hosting a health/benefits fair on September 11th. Employees will have access to cholesterol, blood pressure, skin screening and other tests the day of the fair. The financial education series continues with a Homebuyers Workshop on September 27th. The leadership/management training series was on hiatus in August and September because of summer schedules and will resume in October. Speech communication training, SAP training and Preventing Harassment and Discrimination classes are on-going.

A continuous improvement initiative is also underway. A consultant has been working with Human Resources and Executive Management on a pilot project that will commence in September. The focus will be on project team chartering and performance measures, as well as a values audit at the SCAG staff retreat this Fall.

### **IV. Implement Adopted Regional Plan**

- Goods Movement

August 3rd Meeting with Ports of LA and Long Beach to Discuss Alternative Freight Technologies RFP. On August 3rd, I along with Goods Movement Program staff met with the Ports of Los Angeles and Long Beach staff and Alameda

Corridor Transportation Authority staff to discuss the ports' anticipated Alternative Freight Technologies RFP. The purpose of the meeting was to clarify the scope of the ports' study and how that fits within the regional context. It was also an opportunity to share with the ports SCAG's efforts to-date on the Maglev IOS development. The group agreed that the ports' study and SCAG's anticipated Innovative Freight Technologies RFP should be closely coordinated. SCAG's efforts should build off of the ports' assessment of alternative technologies, which will focus on alternative means of moving freight from the terminal areas to the near dock facilities. SCAG's efforts will focus on a systems analysis and will extend beyond the near dock facilities to include other parts of the region. We also agreed that there should be consistency with the I-710 EIR/EIS. Common to all efforts is a need to consider what market is being served, loading capacity at the ports, terminal re-configurations, and the need for a sound business case. Generally, all of the studies should focus on the intermodal market. The types of technologies to be evaluated will include, but aren't limited to the following: SkyTech linear induction motor, General Atomics electric container conveyor, Maglev freight, TTI's freight shuttle, CargoRail, and Aeroscraft Freight. The next steps are that SCAG would work on developing its scope of work, and the establishment of a coordination group in the months ahead.

August 4th Senator Feinstein Meeting. On August 4th, I along with Government Relations and Goods Movement Program staff attended the third and last stakeholders meeting, convened by Senator Feinstein's staff. The purpose of these meetings has been to reach a regional consensus on the types of assistance and involvement needed from the federal government and the role that the Senator can play in helping resolve the goods movement challenges in Southern California. The discussion items have covered the following: legislation for private-sector tax-credits, use of TIFIA loans for project development activities, formation of a Senate Goods Movement Caucus, legislation permitting use of custom revenues for goods movement projects, implementation of voluntary user fees, SAFETEA-LU appropriations, environmental/air quality conformity concerns, and the development of a National Goods Movement Policy. The meeting concluded with a commitment amongst stakeholders to move forward with the execution of a Local/State/Federal Goods Movement MOU. This effort is being lead by SCAG in partnership with the county transportation commissions. Staff is also responding to a high level official from USDOT request for the region's year 2020 and 2025 freight forecast demands or capacity targets. The Senator is expected to visit Southern California in late September or October.

Southern California National Freight Gateway Strategy MOU. On September 7th, staff will request TCC's support in concept and authorization to continue to negotiate and to bring the final Southern California National Freight Gateway Strategy MOU to the Regional Council for approval at its October 2006 meeting. This MOU will establish a formal process through which state and federal agencies would share responsibility and work collaboratively with Southern California transportation agencies to address the region's infrastructure needs, environmental effects, and community impacts of increasing goods movement. It will highlight the goods movement challenges facing this region, and more importantly emphasize state and federal involvement in streamlining the environmental review/approval process. A consultant will be hired by SCAG, with funding contributions from five of the County Transportation Commissions, to help facilitate the negotiations and timely execution of the MOU. The goal is to have the MOU finalized and ready for signature by all the parties by October 2006 to coincide with Senator Diane Feinstein's visit to the region.

- Regional Comprehensive Plan (RCP). Beginning in September, staff will be making specific proposals for Performance Outcomes and basic strategy components for each of the nine chapters. By December, the RCP Task Force, and the appropriate policy committees will have received all of the proposals. Staff will be seeking an action to release these preliminary outcomes and strategies as the first step in a six month public and stakeholder review and participation process leading up to the completion of a full draft plan in 2007.

After a highly competitive bidding process for an Energy Planning Consultant, SCAG has issued a Notice of Intent to Award to Jack Faucett Associates. This consultant team will develop a foundation for assessing the region's energy needs through 2035 and provide a basis for long-term energy planning activities, including developing cost scenarios and mitigation measures based on a reasonable range of energy supply assumptions.

There will be three joint policy workshops on the RCP this year. The first of these will be on October 5 prior to the RC meeting. Professor Robert Kaufmann from Boston University will present his research on world oil markets. Professor Kaufmann's research interests include world oil markets, ecological economics, and global climate change policy analysis.

- Maglev. The Los Angeles City Council approved a draft Interim Joint Powers Agreement (I-JPA) to conduct planning studies and make recommendations relative to an intra-regional high-speed transit system in Southern California. The City Council directed its staff to circulate the draft I-JPA document to SCAG and other stakeholders for comments before returning to the City Council with the final draft for approval. Meetings with the stakeholders are anticipated for mid-to late September.

## **V. Develop Additional Planning Efforts**

- Compass Blueprint. August 31st was the deadline for the latest round of applications for Compass Blueprint Planning Services. Twenty applications were received from local government jurisdictions seeking to partner as Compass Demonstration sites. Staff will be evaluating applications based on their consistency with Compass principles, and specifically on each project's ability to integrate land use and transportation planning, provide a mix of land uses and housing types, and coordinate with local governments, agencies and stakeholders. Projects that are located within the 2% Strategy Opportunity Areas will receive additional consideration. We expect to announce the successful applicants in October.

To date, SCAG has engaged in 19 successful Compass Blueprint Demonstration Projects, most of which are at or near completion. It is my goal, and that of the staff, to complete some 50 projects by the end of the fiscal year. We look forward to continuing these efforts to offer creative and innovative development solutions that fit local needs while supporting shared regional values.

- Growth Forecast. The Draft 2007 integrated growth forecast at the regional and county levels was presented to the Plans and Programs Technical Advisory Committee meeting on August 17th. Discussion involved the methodology and assumptions used in estimating the regional policy impacts at the regional level, including the development of the housing forecast by converting household forecasts into housing forecasts using year 2000 county vacancy rates. As requested, staff will prepare a report on the methodology, assumptions, and other issues in allocating the regional policy impacts at the smaller geographic levels. A special P&P TAC meeting to discuss forecasting issues will be held prior to the September CEHD meeting. Upon review of the draft forecast, CEHD will be asked to direct staff to disaggregate to smaller geographies for further input and refinement through upcoming subregional/local forecasting workshops tentatively scheduled in January 2007. This effort is being incorporated into and coordinated with the Regional Housing Needs Program, as well as the RTP.
- RHNA. On July 24th I met with Lynn Jacobs, Director, California Department of Housing and Community Development, and Cathy Creswell, Deputy Director, Housing Policy Development Division. Later that afternoon I also met with Dan Carrigg, California League of Cities.

On August 2nd I went to Orange County City Managers' Association to discuss the RHNA Program and draft legislation. On August 7th I attended the Western Riverside Council of Governments' Executive Committee Meeting and gave them an update on SCAG's RHNA activities. On August 24th I was guest speaker at the Inland Empire City Managers' Association Luncheon at the Victoria Country Club in Riverside. I spoke on SCAG's Regional Housing Needs Assessment. Lynn Harris presented to a group of city managers, planning directors, and housing providers in the CVAG COG offices in Palm Desert. She previously presented to the South Bay COG Planning Directors' meeting in late July.

To commence the Fourth Cycle of the Regional Housing Needs Assessment process, SCAG will be holding a public hearing/workshop on September 28th. The purpose of this workshop is to accept public testimony from interested parties concerning the integrated growth forecast and RHNA methodology and for SCAG to outline the upcoming RHNA process and the methodologies used. This public hearing/workshop will be followed in October by 14 subregional workshops regarding feedback on AB 2158 considerations. An additional public hearing/workshop for RHNA policy is scheduled for November, and will cover policy issues including adjustments to avoid over concentration of low income households and balancing job and housing growth. SCAG will be requesting \$100,000 in SCAG General Funds to support the first phase of RHNA.

- Trash TMDL for Los Angeles River Watershed. In accordance with our authority as a Section 208 regional water planning agency under the Federal Clean Water Act, SCAG submitted a written comment to the Los Angeles Regional Water Quality Control Board (Regional Board) regarding its proposed Trash Total Maximum Daily Loads (Trash TMDL) for the Los Angeles River Watershed. The proposed Trash TMDL is scheduled for review and approval by the Regional Board as part of a public hearing to be held on September 14, 2006. In our comment, we noted the Regional Council's creation of the Water Policy Task Force and the on-going concerns of the Water Policy Task Force with the piecemeal formulation of TMDL policies and plans. We argued that these concerns call for greater integration of TMDL development, so as to lower the risk of control measures becoming obsolete as other TMDLS are implemented and of scarce financial resources of local governments being wasted. We concluded by offering that our Water Policy Task Force serves as a sounding board for this Trash TMDL and future TMDL development.
- Watershed Planning. The Watershed Planning program received \$150,000 from the Caltrans Stormwater Office for work with District 7 on collaborative planning and implementation of pollution controls needed to remove trash and metals impairments in Ballona Creek and the Los Angeles River. These efforts support the development of regional water quality solutions and increase the prospects for greater cost-effectiveness as District 7 endeavors, along with other impacted agencies, to meet water quality requirements in each of these watersheds. The RC already programmed the funds into the 2006/2007 OWP in anticipation of the award.

## **VI. Data & Planning Methods**

### **Performance Assessment & Monitoring**

- Development of the 2006 State of the Region Report and Report Card. At the Benchmarks Task Force meeting on August 3, 2006, staff provided a briefing on the preliminary findings for the 2006 State of the Region Report which will also include an Energy section. The Task Force is scheduled to meet again on September 11, 2006 to develop the Report Card for issue areas including employment, income, housing, mobility, air quality and safety. Staff is scheduled to brief the Community, Economic and Human Development (CEHD) policy committee and the Regional Council on the draft findings of the 2006 State of the Region at their October meetings.

## VII. Legislative Program

- Regional Housing Needs Assessment Pilot Program. On August 3, 2006, the Executive Committee approved revisions to the RHNA Pilot Program legislative language (based on input from various housing stakeholders in Sacramento) and directed staff to move forward to seek and pass legislation to enact its provisions during this legislative session prior to its conclusion on August 31, 2006. SCAG President and other Regional Council members agreed to participate in the effort to pass the RHNA Pilot Program legislation as necessary. Senator Alan Lowenthal of Long Beach, Chair of the Senate Transportation and Housing Committee, agreed to carry the bill. Although there appears to be broad agreement among the stakeholders on the Pilot Program with only minor issues still unresolved, time expired this legislative session to pass a bill. On August 24, 2006, the Executive Committee met via teleconference and authorized staff to proceed with the RHNA public workshops to begin the Regional Housing Needs Assessment process. Staff has sent the notice of Public Hearing/Workshop to its membership and will conduct the first workshop on September 28, 2006. SCAG intends to introduce a bill in December for expeditious approval early in next year's session.
- Indian Tribe JPA Inclusion. Assembly Bill 2762, which Assembly Member Lloyd Levine carried it at SCAG's request has passed out of the State Legislature and gone to the governor's office. The bill provides that the sixteen federally recognized tribes in the SCAG region may join the SCAG Joint Powers Authority (JPA) to participate in the Southern California Association of Governments in a limited context by voting at the SCAG Generally Assembly. The bill received overwhelming aye votes in both houses of the legislature. President Burke sent a letter to the Governor requesting that he sign the bill into law.
- Public/Private Partnership Legislation. Previous legislation approved the use of a limited number of public/private partnership transportation projects. It required the legislature to approve each application. A number of groups including SCAG worked hard to have an amendment that has been approved by the legislature to modify action needed by the legislature on these projects. Now, if the Governor signs the bill, the legislature would have sixty days to not approve an application submitted to them for their consideration.